

# Notice of Allowability

Application No.

09/963,241

Examiner

Sara Chandler

Applicant(s)

MULINDER ET AL.

Art Unit

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 10/18/2007.
2. ☒ The allowed claim(s) is/are 1-15, 17-25, 45-59 and 61-69.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All b) ☐ Some\* c) ☐ None of the:
    1. ☐ Certified copies of the priority documents have been received.
    2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
  5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
    - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
      - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
    - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

## Attachment(s)

1. ☐ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO/SB/08), Paper No./Mail Date \_\_\_\_\_
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application
6. ☐ Interview Summary (PTO-413), Paper No./Mail Date \_\_\_\_\_
7. ☒ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other \_\_\_\_\_

## **DETAILED ACTION**

### ***Response to Amendment***

This Office Action is responsive to Applicant's arguments and request for reconsideration of application 09/963,241 (09/26/01) filed by supplemental amendment on 10/18/07.

### ***Status of Claims***

Claims 45-59 and 61-69 are currently amended. Claims 1-15 and 17-25 were previously presented. Claims 16, 26-44, 60 and 70-74 are cancelled. Thus, claims 1-15, 17-25, 45-59 and 61-69 are currently pending.

### ***Allowable Subject Matter***

**Claims 1-15, 17-25, 45-59 and 61-69** are allowed, subject to an examiner's amendment described below.

An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it **MUST** be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Todd A. Gerety, Registration # 51,729 on Wednesday, October 24, 2007.

## **EXAMINER'S AMENDMENT**

The application has been amended as follows:

45. (Currently amended) An automated system for managing risk associated with providing real-time trading services, comprising:

a quote engine module;

an exposure manager module ~~receiving~~ programmed to receive a plurality of dealing price quotes previously provided by said quote engine module in response to client requests, each of said plurality of dealing price quotes being an offer from a financial institution to perform a trade in a security or a derivative and having a limited duration for acceptance, the plurality of dealing price quotes comprising expired dealing price quotes and pending dealing price quotes that are not expired;

said exposure manager module ~~proactively calculating~~ programmed to proactively calculate individual risk exposures to the financial institution resulting from potential trades in securities or derivatives associated with each of said pending dealing price quotes during said respective durations, each of said individual risk exposures being calculated using real time pricing information of a corresponding security or derivative;

said exposure manager module ~~calculating~~ programmed to calculate a total risk exposure to the financial institution based on said individual risk exposures of said pending dealing price quotes; and

~~subsequent to calculation of said total risk exposure,~~ said quote engine module ~~adjusting~~ programmed to adjust, subsequent to calculation of said total risk exposure, a next dealing price quote being offered in response to a next client request based on said total risk exposure in order to reduce said total risk exposure to the financial institution.

Art Unit: 3693

46. (Currently amended) The automated system of claim 45, ~~further comprising~~  
wherein:

said quote engine module providing is programmed to provide said plurality of dealing price quotes as an offer to perform a trade in a security or a derivative and said quote engine module determining is programmed to determine at least one of said plurality of dealing price quotes based on a size of said trade.

47. (Currently amended) The automated system of claim 46, ~~further comprising~~  
wherein:

said quote engine module providing is programmed to provide at least one of said plurality of dealing price quotes to a client having a preferred client status and said quote engine module determining is programmed to determine said at least one of said plurality of dealing price quotes based on said preferred client status.

48. (Currently amended) The automated system of claim 45, ~~further comprising~~  
wherein said quote engine module determining is programmed to determine said plurality of dealing price quotes based on risk analysis and market volatility.

49. (Currently amended) The automated system of claim 45 further comprising:  
a credit check module evaluating is programmed to evaluate credit of a client;

said quote engine ~~module providing~~ programmed to provide said at least one of said plurality of dealing price quotes to said client upon determining that said credit is equal to or greater than a monetary amount to perform the trade; and

said credit check module ~~reserving~~ programmed to reserve a portion of said client's credit for said limited duration of said at least one of said plurality of dealing price quotes.

50. (Currently amended) The automated system of claim 49, wherein said credit check module ~~reserving~~ is programmed to reserve said portion of said client's credit that equals a size of said trade.

51. (Currently amended) The automated system of claim 49, wherein said credit check module ~~releases~~ is programmed to release said portion of said client's credit when said limited duration has expired and said client has not performed a trade in said security or said derivative based on said at least one of said plurality of dealing price quotes.

52. (Currently amended) The automated system of claim 45 further comprising:

a dealer intervention module ~~enabling~~ is programmed to enable a dealer to manually review said at least one of said plurality of dealing price quotes before said at least one of said plurality of dealing price quotes is provided to a client.

Art Unit: 3693

53. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically limit a size associated with at least one of said plurality of dealing price quotes.

54. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically limit a tenor associated with at least one of said plurality of dealing price quotes.

55. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically widen a spread associated with at least one of said plurality of dealing price quotes.

56. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically adjust said duration of said next dealing price quote.

57. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically adjust a tenor of said next dealing price quote.

Art Unit: 3693

58. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to automatically adjust a spread of said next dealing price quote.

59. (Currently amended) The automated system of claim 52, wherein said dealer intervention module ~~enables~~ is programmed to enable a dealer to manually review said next dealing price quote.

61. (Currently amended) The automated system of claim 45, further comprising:

a risk management system;

a trade settlement system module executing programmed to execute at least one trade based on one of said pending dealing price quotes;

said exposure manager module calculating programmed to calculate an individual risk exposure to the financial institution associated with said at least one trade that has not been booked into said risk management system;

said exposure manager module calculating programmed to calculate said total risk exposure based on said individual risk exposures of said pending dealing price quotes and said individual risk exposure for said at least one trade that has not been booked into said risk management system; and

~~subsequent to calculation of said total risk exposure,~~ said quote engine module adjusts-being programmed to adjust, subsequent to calculation of said total risk exposure, said next dealing price quote based on said total risk exposure.

62. (Currently amended) The automated system of claim 61, wherein said risk management system ~~books~~ is programmed to book said at least one trade.

63. (Currently amended) The automated system of claim 61, further comprising a trade aggregator module, ~~said trade aggregator aggregating~~ programmed to aggregate all of said at least one trade and ~~booking~~ programmed to book all of said at least one trade into ~~[[a]]~~ said risk management system when a threshold is reached.

64. (Currently amended) The automated system of claim 63, wherein  
said trade aggregator module ~~books~~ is programmed to book all of said at least one trade into said risk management system when a threshold is reached, said threshold being an aggregated notional amount.

65. (Currently amended) The automated system of claim 63, wherein  
said trade aggregator module ~~books~~ is programmed to book all of said at least one trade into said risk management system when a threshold is reached, said threshold being a time limit.

66. (Currently amended) The automated system of claim 45, wherein  
said quote engine module ~~provides~~ is programmed to provide said plurality of dealing price quotes for foreign exchange securities.



67. (Currently amended) The automated system of claim 45, wherein  
said quote engine module provides is programmed to provide said plurality of  
dealing price quotes are for foreign exchange derivatives.

68. (Currently amended) The automated system of claim 45, wherein  
said quote engine module provides is programmed to provide said plurality of  
dealing price quotes for derivatives selected from the group consisting of vanilla options,  
multi-leg options and exotic options.

69. (Currently amended) The automated system of claim 45, wherein  
said quote engine module provides is programmed to provide said plurality of  
dealing price quotes are for securities selected from the group consisting of equities,  
over-the-counter securities and debt instruments.

***Allowable Subject Matter***

The following is an examiner's statement of reasons for allowance:

The closest prior art of record is Kaminsky, US Pub. No. 2002/0082967.  
Although Kaminsky is similar to the instant application in some respects, there are  
clear patentable distinctions.

Kaminsky teaches an automated trading exchange having integrated quote risk  
monitoring and quote modification services. Kaminsky teaches that under certain  
trading conditions quotes may be automatically cancelled, regenerated or modified. In

Kaminsky, a computer determines whether a quote within a quote group has been filled as a result of a generated trade and if that is the case, determining a risk level and aggregated risk level associated with the trade. In Kaminsky, the aggregate risk level is compared with the market maker's risk threshold, and if the threshold is exceeded, at least one of the remaining quotes in the quote group is automatically modified.

The instant application teaches an automated method and system for managing risk associated with providing real-time trading services. The instant application is distinct from Kaminsky in a couple ways. First, as suggested by applicant in the remarks filed October 18, 2007, the claimed invention teaches a proactive method and system for risk management. In other words, the risk exposure associated with pending dealing price quotes that have not expired is calculated and the next dealing price quote offered is adjusted based on the risk exposure associated with the pending dealing price quotes. Second, as suggested by applicant in the remarks filed October 18, 2007, once a dealing price quote is offered to a client, it cannot be modified.

Claim 1 is allowed because the best prior art of record, Kaminsky, alone or in combination, fails to teach, suggest or otherwise make obvious, all the limitations required of an automated method for managing risk associated with providing real-time trading services, comprising the automated steps of:

*receiving providing a plurality of dealing price quotes previously provided in response to client requests, each of said plurality of dealing price quotes being an offer from a financial institution to perform a trade in a security or a derivative and having a limited duration for acceptance, the plurality of dealing price quotes comprising expired dealing price quotes and pending dealing price quotes that are not expired;*

Art Unit: 3693

and

*proactively calculating individual risk exposures to the financial institution resulting from potential trades in securities or derivatives associated with each of said pending dealing price quotes during said respective durations, each of said individual risk exposures being calculated using real time pricing information of a corresponding security or derivative;*

and

*calculating a total risk exposure to the financial institution based on said individual risk exposures for all of said pending dealing price quotes;*

and

*subsequent to calculation of said total risk exposure, adjusting a next dealing price quote being offered in response to a next client request based on said total risk exposure in order to reduce the total risk exposure to the financial institution.*

Independent claim 45 is allowable based on the same rationale as independent claim 1. Dependent claims 2-15, 17-25, 46-49 and 61-69 are allowable for the same reasons discussed above, in that they are dependent on allowed claims 1 and 45.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

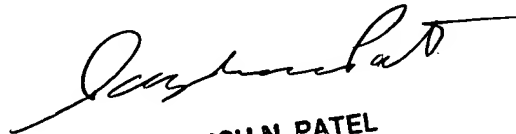
### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

SMC



JAGDISH N. PATEL  
PRIMARY EXAMINER